

State of Nevada  
Gaming Control Board

CPA MICS Compliance Checklist

Auditor's Name and Date

**BINGO**

Licensee \_\_\_\_\_ Review Period \_\_\_\_\_

NGC Regulation 6.090(9) requires the CPA to use "criteria established by the chairman" in determining whether a Group I licensee is in compliance with the Minimum Internal Control Standards (MICS). This checklist is to be used by the CPA in determining whether the licensee's bingo operations are in compliance with the Bingo MICS.

Date of Inquiry	Person Interviewed	Position

Checklist Completion Notes:

- 1) Unless otherwise instructed, examine a completed document for compliance for those questions referring to records/documentation as indicated and recalculate where appropriate. Indicate (by tickmark) whether the procedures were confirmed via examination/review of documentation, through inquiry of licensee personnel or via observation of procedures. Tickmarks used are to be defined at the bottom of each page.
- 2) All "no" answers require referencing and/or comment, and should be cited as regulation violations, unless the Board Chairman has granted a MICS variation or the question requires a "no" answer for acceptability.
- 3) "(#)" refers to the Minimum Internal Control Standards for Bingo, Version 5.

Minimum Internal Control Standard Notes

Note: For any Board-authorized computer applications, alternate documentation and/or procedures which provide at least the level of control described by this checklist will be acceptable.

Questions	Yes	No	N/A	Comments, W/P Reference
1. Has the licensee's written system of internal control for bingo been read prior to the completion of this checklist to obtain an understanding of the licensee's bingo operation?				
<b><u>Game Play Standards</u></b>				
2. Are the functions of seller and payout verifier segregated for those locations with an annual write exceeding \$1 million in the previous 12-month period ended June 30th? <b>(1) Verify by observation.</b>  <b>Note:</b> Applies only to situations where an employee sells cards on the floor and also verifies payouts with cards in his possession. <b>(1)</b>				

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3. Are bingo cards (electronic and paper) sold consecutively, through the assigning of a transaction number, beginning with the lowest unassigned transaction number? <b>(2) Verify by examination.</b>				
4. When an electronic bingo card is sold, is a unique number of the bingo card sold immediately recorded in an unalterable manner and maintained? <b>(3) Verify by examination.</b>  <b>Note:</b> The unique number is associated with the face numbers on the bingo card and is used to evidence that the bingo card was purchased for the session it is being played. <b>(3)</b>				
5. Does the computerized bingo system record the card sale (electronic and paper) on a restricted transaction log or computer storage media? <b>(4) Verify by examination.</b>				
6. Are bingo personnel precluded from having unrestricted access to the restricted transaction log or computer storage media. <b>(5)</b>				
7. When a card sale is voided are the following procedures performed:				
a) For a computerized bingo system, is the void information input in the computer and does the computer document the appropriate information pertaining to the voided card sale? <b>(6a)</b>				
b) For a computerized bingo system, does a supervisor authorize the voiding of the card sale through the computerized bingo system? <b>(6a)</b>				
c) For a manual bingo operation, is the card sale marked void and signed by a supervisor authorizing the voiding of the card sale? <b>(6b)</b>				
d) For a manual bingo operation, is the voided bingo card sent to accounting? <b>(6b)</b>				
8. Do controls exist to prevent the voiding of card sales after the start of the calling of the game for which the bingo card was sold? <b>(7)</b>				

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9. Are the controls in effect for bingo card sales in outstations, if applicable, identical to those in effect for the primary bingo game? <b>(8)</b>				
10. Are all sales of bingo cards documented on a session bingo card sales report by recording at least the following:				
<b>Testing of card sales documentation is required. Select card sales documentation for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.</b>				
a) Date and time? <b>(9a)</b>				
b) Session? <b>(9b)</b>				
c) The beginning and ending assigned transaction numbers of cards sold (by type)? <b>(9c)</b>				
d) Number of cards sold (by type)? <b>(9d)</b>				
e) Dollar amount of cards sold (by type)? <b>(9e)</b>				
f) Total dollar amount of cards sold? <b>(9f)</b>				
g) Signature, initials or other identifier of seller(s)? <b>(9g)</b>				
h) Signature or initials of a person independent of the seller(s) who has verified the card sales? <b>(9h)</b>  <b>Note:</b> This requirement is not applicable to locations with \$1 million or less in annual bingo write. <b>(9h)</b>				
11. At the end of each session does an individual independent of the seller perform the following procedures for each seller:				
a) For each card type, reconcile the documented total dollar amount of cards sold to the documented number of cards sold? <b>(10a)</b>				
b) For each card type, reconcile the number of cards sold by reviewing the documented beginning and ending assigned transaction number to the documented number of cards sold? <b>(10b)</b>				

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c) For paper cards sold, compare the documented ending assigned transaction number to the beginning transaction number of the paper card inventory to ensure the paper cards are used in consecutive order? <b>(10c)</b>				
d) Investigate any variance noted from the performance of (a) – (c) and document the results of the follow-up? <b>(10d)</b>				
12. Is each ball shown to a television camera immediately after it is called so that it is individually displayed to all patrons? <b>(12)</b> <b>Verify by observation.</b>				
13. Are procedures utilized to ensure the correct calling of numbers selected in the bingo game? <b>(11) Verify by observation.</b>				
14. For all coverall games and other games offering a payout of \$1,200 or more, as the balls are called are the numbers immediately recorded and maintained for a minimum of 24 hours? <b>(13)</b>				
15. Are controls present to ensure that the numbered balls are placed back into the selection device prior to calling the next game? <b>(14)</b>				
16. Is the authenticity of each payout, including the payout amount and type of winning card, verified by at least two people? <b>(15)</b> <b>Verify by observation.</b>  <b>Note:</b> A computerized card verifying system may function as the second person verifying the payout if the card with the winning numbers and its type are determined by the verifying system and are displayed to patrons in the bingo room. <b>(15)</b>				
17. Prior to the payment of a winning paper and/or electronic bingo card, are procedures performed to ensure that the winning bingo card was sold for the session and the game during which it was played, and that it was not voided? <b>(16) Verify by observation.</b>				
<b>Testing of payout documentation is required for Questions 18 - 20. Select payout documentation for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.</b>				

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18. Do payouts over \$1,200 require written approval by supervisory personnel independent of the transaction to indicate that the card has been examined and verified to the master card inventory and to ensure that the card has not been altered or inappropriately played during the session? <b>(17)</b>				
19. Are payouts recorded by game and in total for the session on a payout report? <b>(18) Verify by examination.</b>				
20. Is the payout report mentioned in the previous step signed or initialed by two persons who witnessed and verified the dollar amount of the recorded payouts? <b>(18) Verify by examination.</b>				
<b><u>Promotional Payouts, Drawings and Giveaway Programs</u></b>				
21. Are the conditions for participating in promotional payouts, including drawings and giveaway programs, prominently displayed or available for patron review at the licensed location? <b>(19) Verify by examination.</b>				
<b>Testing of promotional payouts is required. Select one promotional payout form per day for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.</b>				
22. Are promotional payouts that are either deducted from gross revenue, or are greater than or equal to \$100 and not deducted from gross gaming revenue, documented to include the following:				
a) Date, time and session? <b>(20a)</b>				
b) Dollar amount of payout or description of personal property (e.g., car)? <b>(20b)</b>				
c) Reason for payout (i.e., promotion name)? <b>(20c)</b>				
d) Signature(s) of the following number of employees verifying, authorizing, and completing the transaction: two for all payouts of \$100 or more; one for payouts of less than \$100 that are deducted from gross gaming revenue? <b>(20d)</b>				
23. If the promotional cash payout is less than \$100 and is not deducted from gross gaming revenue, is documentation created to support the bank accountability? <b>(21)</b>				

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<b><u>Control of Funds</u></b>				
<b>Testing of bingo accountability documentation is required for Questions 24 and 25. Select bingo accountability documentation for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.</b>				
24. Are all funds used to operate the bingo department recorded on an accountability form? <b>(22)</b>				
25. Are the funds mentioned above counted by at least two persons and reconciled to the recorded amounts at the end of each session? <b>(23)</b>				
<b><u>Access to Sensitive Areas</u></b>				
26. Is access to the controlled bingo equipment (e.g., blower, balls in play, and back-up balls) restricted to authorized persons? <b>(24)</b>				
27. Are the following procedures performed to ensure the integrity of the bingo balls:				
a) Are the bingo balls inspected prior to being placed into play each day to ensure that each ball has an equal chance of being selected? <b>(25)</b>				
b) Is the inspection performed by a minimum of two individuals and is the inspection documented? <b>(25)</b>				
c) Does the inspection documentation include the date and time of inspection, procedures performed, the inspection results, the investigation of any exceptions, and the signatures of the individuals completing the inspection? <b>(25) Verify by examination.</b>				
d) Is a verification performed to ensure that all numbered balls are accounted for and in play prior to each session? <b>(25)</b>				
28. Is the bingo equipment maintained and checked for accuracy on a periodic basis? <b>(26) Indicate the frequency.</b>				
29. Is the bingo card inventory (including electronic cards) controlled so as to ensure the integrity of the cards being used? <b>(27)</b>				
<b><u>Random Number Generator (if applicable)</u></b>				

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30. If the bingo game has a random number generator that determines win or loss, has it received Board and Commission approval as a gaming device? <b>(Note after Random Number Generator heading)</b>				
31. Is the random number generator linked to the computer system so that it directly relays the numbers selected into the computer without manual input? <b>(31)</b>				
32. Are bingo personnel precluded access to the random number generator? <b>(32)</b>				
<b><u>Contests/Tournaments</u></b>				
<b>Testing two contests/tournaments is required. Contests/tournaments should be in non-consecutive months. Indicate contests/tournaments selected and results of testing.</b>				
33. Are all contest/tournament entry fees and prize payouts (including mail transactions) summarized on an accountability document on a daily basis? <b>(33)</b>				
34. When contest/tournament entry fees and payouts are transacted, are they recorded on a document which contains:				
a) Patron's name? <b>(34a)</b>				
b) Date of entry/payout? <b>(34b)</b>				
c) Dollar amount of entry fee/payout (both alpha and numeric)? <b>(34c)</b>				
d) Signature or initials of the individual completing the transaction? <b>(34d)</b>				
e) Name of contest/tournament? <b>(34e)</b>				
35. Are the contest/tournament entry fees and payouts summarized and posted to the accounting records on at least a monthly basis? <b>(35)</b>				
36. Are contest/tournament rules included on all entry forms/brochures and prominently displayed or available for patron review at the licensed location? <b>(36)</b>				
37. Do the rules mentioned in the preceding question contain at least the following:				

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a) All conditions that patrons must meet to qualify for entry into, and advancement through, the contest/tournament? <b>(36a)</b>				
b) Specific information pertaining to any single contest/tournament, including the dollar amount of money placed into the prize pool? <b>(36b)</b>				
c) The distribution of funds based on specific outcomes? <b>(36c)</b>				
38. Are the results, including the name of the event, date(s) of the event, total number of entries, dollar amount of entry fees, total prize pool, and the dollar amount paid for each winning category, of each contest/tournament recorded and available for patrons to review? <b>(37)</b>				
39. Is the name of each winner recorded and maintained, but not made available to the participants unless authorized by management personnel? <b>(37)</b>				
40. Are the aforementioned contest/tournament records maintained for each event? <b>(38)</b>				
<b><u>Accounting and Statistical Records</u></b>				
<b>Testing of bingo revenue summary is required. Select the bingo revenue summary for 2 days. Test days must be in non-consecutive months. Indicate test dates selected and results of testing.</b>				
41. Is a bingo revenue summary, which includes write (card sales), payouts, win and a win-to-write hold percentage, maintained for:				
a) Each session? <b>(28a)</b>				
b) Each day? <b>(28b)</b>				
c) Month-to-date? <b>(28c)</b>				
d) Year-to-date? <b>(28d)</b>				
42. Does non-bingo management review the bingo revenue summary statistical information at least on a monthly basis and investigate any large or unusual statistical fluctuations? <b>(29)</b>				
43. Are the investigations referred to in the preceding question documented and maintained for Board inspection? <b>(30)</b>				

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<b><u>Accounting/Auditing Standards</u></b>				
<b>Review of documentation evidencing the performance of bingo accounting/auditing standards is required. Select the appropriate documentation to determine that all required procedures are being performed.</b>				
44. Are the bingo audit procedures performed by someone independent of the bingo operations? <b>(39)</b>				
45. Do accounting/audit personnel review all contests, tournaments, promotional payouts, drawings, and giveaway programs monthly to determine proper accounting treatment and proper win/loss computation? <b>(40)</b>				
46. For all contests, tournaments, promotional payouts, drawings, and giveaway programs is the following documentation maintained:				
a) Copies of the information provided to the patrons describing the contests, tournaments, promotional payouts, drawings, and giveaway programs? <b>(41a)</b>				
b) Effective dates? <b>(41b)</b>				
c) Accounting treatment, including general ledger accounts, if applicable? <b>(41c)</b>				
47. Do accounting/audit personnel perform procedures (i.e., interviews, review of payout documentation, etc.) monthly to ensure that promotional payouts, drawings and giveaway programs are conducted in accordance with the conditions provided to the patrons? <b>(42)</b>				
48. Do accounting/audit personnel reconcile all contest/tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document daily? <b>(43)</b>				

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49. When payment is made to the winners of a contest/tournament, do accounting/audit personnel reconcile the contest/tournament entry fees collected to the actual contest/tournament payouts made? <b>(44)</b>  <b>Note:</b> This reconciliation is to determine whether, based on the entry fees collected, the payouts made and the amounts withheld by the gaming establishment, if applicable, were distributed in accordance with the contest/tournament rules. <b>(44)</b>				
50. Do accounting/audit personnel perform the following:				
a) Review the session bingo card sales reports daily for proper completion and to determine that the dollar amount of cards sold is properly calculated? <b>(45a)</b>				
b) Review the payout report daily to determine that the dollar amount of payouts is properly calculated and for the proper signatures or initials as required by MICS #18? <b>(45b)</b>				
c) Review all payouts in excess of \$1,200 daily for proper supervisor payout authorization? <b>(45c)</b>				
d) Compare net cash proceeds to the audited bingo win/loss by session daily and investigate any large cash overages or shortages (i.e., in excess of \$25)? <b>(45d)</b>				
e) Review all voids of bingo card sales for proper completion and supervisory approval? <b>(45e)</b>				
f) If a random number generator is used, review the numerical frequency distribution at least weekly for potential patterns during the previous four-week period? <b>(45f)</b>				
g) If a manual ball drawing device is used and a computerized bingo system generates a drawn number frequency report, review the numerical frequency distribution at least weekly for potential patterns and missing numbers during the previous four-week period? <b>(45g)</b>				
h) For computerized bingo systems, review system exception information on a daily basis for propriety of transactions and unusual occurrences? <b>(45h)</b>				

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51. Do accounting/audit personnel reconcile gross revenue from the bingo revenue summary to the monthly NGC tax return each month and document and maintain the reconciliation. Are any variances noted reviewed, documented and maintained? <b>(46)</b> <b>For one month review the reconciliation to verify the proper completion of the reconciliation and to determine that the variance amount is accurate. Indicate the month/year reviewed and the results of the review.</b>				
52. Is documentation (e.g., log, checklist, notation on reports, and tapes attached to original documents) maintained evidencing the performance of bingo audit procedures, the exceptions noted and follow-up of all bingo audit exceptions? <b>(47) Verify by examination.</b>				
<b><u>Written System of Internal Control</u></b>				
53. Has the licensee's written system of internal control for bingo been re-read prior to responding to the following question?				
54. Does the written system of internal control for bingo reflect the actual control procedures in effect for compliance with the MICS, variations from the minimum internal control standards approved pursuant to Regulation 6.090(8), and Regulation 14 associated equipment approvals? <b>[Regulation 6.090(13)]</b>				

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